

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 65th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** Chair Jeff Essmann, on March 23, 2017 at 8:00 AM, in Room 152 Capitol

#### **ROLL CALL**

**Members Present:**

Rep. Jeff Essmann, Chair (R)  
Rep. Kelly Flynn, Vice Chair (R)  
Rep. Tom Jacobson, Vice Chair (D)  
Rep. Kim Abbott (D)  
Rep. Becky Beard (R)  
Rep. Zach Brown (D)  
Rep. Mary Ann Dunwell (D)  
Rep. Dave Fern (D)  
Rep. Wylie Galt (R)  
Rep. Jim Hamilton (D)  
Rep. Adam Hertz (R)  
Rep. Greg Hertz (R)  
Rep. George G. Kipp III (D)  
Rep. Steve Lavin (R)  
Rep. Alan Redfield (R)  
Rep. Bridget Smith (D)  
Rep. Tom Welch (R)  
Rep. Kerry White (R)

**Members Excused:**

Rep. Ron Ehli (R)  
Rep. James O'Hara (R)

**Members Absent:** None

**Staff Present:** Margot Miltenberger, Committee Secretary  
Megan Moore, Legislative Branch

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted: HB 605, 3/17/2017; HB 607, 3/17/2017; HB 610, 3/21/2017; HB 614, 3/21/2017; HB 619, 3/21/2017; HB 620, 3/21/2017

**HEARING ON HB 605****Opening Statement by Sponsor:**

00:01:56 Rep. Greg Hertz (R), HD 12, opened the hearing on HB 605, Montana Indian Reservation Economic Development Act.

00:02:50 Rep. O'Hara joined the meeting

**Proponents:** None

**Opponents:** None

**Informational Witnesses:**

00:06:24 Sean Becker, Department of Commerce (COM)

00:06:31 Lee Baerlocher, Department of Revenue (DOR)

**Questions from Committee Members and Responses:**

00:06:44 Rep. Fern

00:07:07 Rep. G. Hertz

00:07:36 Rep. Welch

00:07:59 Rep. G. Hertz

00:08:36 Rep. Hamilton

00:08:51 Rep. G. Hertz

00:09:00 Rep. Kipp III

00:12:45 Rep. G. Hertz

00:13:35 Rep. Hamilton

00:13:54 Rep. G. Hertz

00:14:10 Chair Essmann

00:14:24 Lee Baerlocher, DOR

**Closing by Sponsor:**

00:14:50 Rep. G. Hertz

**HEARING ON HB 614****Opening Statement by Sponsor:**

00:15:23 Rep. Rob Cook (R), HD 18, opened the hearing on HB 614, Exempting pulse processing equipment from property taxation.

**Proponents:**

00:16:41 Kent Kupfner, Columbia Grain, Inc.

**EXHIBIT**(tah60a01)

00:26:28 Tyler Streit, Stricks Ag

**EXHIBIT**(tah60a02)

00:28:55 Krista Lee Evans, Montana Grain Elevators Association, Montana Agriculture Business Association

00:29:31 John Semple, Montana Grain Growers Association (MGGA)

00:29:55 Levi Ostberg, Montana Farmers Union (MFU)

00:30:46 Ray Morkrid, Self  
 00:31:27 Nicole Rolf, Montana Farm Bureau Federation (MFBF)  
 00:31:49 Kim Murray, Self

**Opponents:**

00:33:02 Commissioner Larry Hendrickson, Liberty County  
 00:33:51 Lee Baerlocher, Department of Revenue (DOR)

**Informational Witnesses:** None

**Questions from Committee Members and Responses:**

00:35:45 Rep. Redfield  
 00:36:21 Kent Kupfner, Columbia Grain, Inc.  
 00:36:53 Rep. Fern  
 00:38:37 Rep. Cook  
 00:38:45 Rep. B. Smith  
 00:39:38 Kent Kupfner, Columbia Grain, Inc.  
 00:39:45 Rep. Flynn  
 00:40:33 Tyler Streit, Stricks Ag  
 00:41:07 Rep. Flynn  
 00:42:14 Kent Kupfner, Columbia Grain, Inc.  
 00:42:32 Rep. Flynn  
 00:42:48 Rep. Cook  
 00:43:02 Rep. Hamilton  
 00:43:21 Tyler Streit, Stricks Ag  
 00:43:44 Rep. Hamilton  
 00:44:54 Rep. Cook  
 00:45:10 Chair Essmann  
 00:45:29 Rep. Cook

**Closing by Sponsor:**

00:45:39 Rep. Cook

**HEARING ON HB 619**

**Opening Statement by Sponsor:**

00:46:26 Rep. Daniel Zolnikov (R), HD 45, opened the hearing on HB 619, Providing that an MTAB decision may not increase tax liability.

**EXHIBIT**(tah60a03)

**Proponents:**

00:52:24 Mike Green, Self  
 00:57:28 Vice Chair Flynn assumed the chair  
 00:57:31 Bob Story, Montana Taxpayers Association (Montax)  
 00:57:53 John Alke, NorthWestern Energy (NWE)  
 01:03:07 Tom Ebzery, Puget Sound Energy (PSE)  
 01:04:04 Ronda Wiggers, Montana County Treasurers Association (MCTA)

**Opponents:**

01:06:08 Dan Whyte, Department of Revenue (DOR)

**Informational Witnesses:**

01:13:33 Dave McAlpin, Montana Tax Appeal Board (MTAB)

**Questions from Committee Members and Responses:**

01:16:29 Rep. Fern  
01:16:55 Dave McAlpin, MTAB  
01:17:05 Rep. Fern  
01:17:28 Dan Whyte, DOR  
01:17:52 Rep. Jacobson  
01:18:30 Rep. Zolnikov  
01:19:47 Rep. Welch  
01:20:50 Rep. Zolnikov  
01:22:23 Rep. Jacobson  
01:22:31 Megan Moore, Legislative Services Division (LSD)

**EXHIBIT(tah60a04)**

01:22:41 Rep. Dunwell  
01:24:01 Dan Whyte, DOR  
01:25:41 Rep. Essmann  
01:29:12 Dan Whyte, DOR  
01:29:19 Rep. Hamilton  
01:30:04 Ronda Wiggers, MCTA

**Closing by Sponsor:**

01:32:02 Rep. Zolnikov

01:35:53 Chair Essmann resumed the chair

**HEARING ON HB 610**

**Opening Statement by Sponsor:**

01:36:14 Rep. Kim Abbott (D), HD 83, opened the hearing on HB 610, Revise deduction of federal income tax paid for estates and trusts.

**EXHIBIT(tah60a05)**

**Proponents:**

01:38:10 Lee Baerlocher, Department of Revenue (DOR)  
01:39:14 Heather O'Loughlin, Montana Budget and Policy Center (MBPC)

**Opponents:**

01:40:01 George Olsen, Montana Society of CPAs (MSCPA)

**Informational Witnesses:** None

**Questions from Committee Members and Responses:**

01:43:52 Rep. Redfield  
01:44:24 George Olsen, MSCPA  
01:44:36 Rep. Hamilton  
01:45:05 Heather O'Loughlin, MBPC

**Closing by Sponsor:**

01:45:29 Rep. Abbott

**HEARING ON HB 607**

**Opening Statement by Sponsor:**

01:46:47 Rep. Bridget Smith (D), HD 31, opened the hearing on HB 607, Creating soft drink tax for state parks and aquatic invasive species.

**Proponents:**

01:48:14 Tom Reilly, Montana Fish Wildlife and Parks (FWP)  
 01:50:02 Tom Towe, Montana State Parks Board  
 01:57:32 Elijah Allen, Montana Heritage Commission (MHC)  
 01:59:28 Drew Geiger, Montana Parks Foundation

**Opponents:**

02:00:04 Elaine Taylor, Montana Beverage Association (MBA)  
 02:07:06 Jim Bennett, Harrington Bottling Company  
 02:10:49 Bob Story, Montana Taxpayers Association (Montax)

**EXHIBIT(tah60a06)**

02:10:59 Mark Steinberger, Self  
 02:13:40 McKee Anderson, Montana Food Distributors Association (MFDA)  
 02:15:31 Brad Longcake, Montana Petroleum Marketers and Convenience Store Association (MPMCSA)  
 02:16:41 Webb Brown, Montana Chamber of Commerce (MCC)  
 02:17:04 Brad Griffin, Montana Retail Association (MRA)

**Informational Witnesses:**

02:17:26 Lee Baerlocher, Department of Revenue (DOR)

**Questions from Committee Members and Responses:**

02:17:40 Rep. Flynn  
 02:18:40 Rep. B. Smith  
 02:18:58 Rep. Dunwell  
 02:20:13 Rep. B. Smith  
 02:20:41 Rep. Jacobson  
 02:21:39 Rep. B. Smith  
 02:22:03 Rep. Redfield  
 02:22:34 Rep. B. Smith  
 02:22:43 Rep. Hamilton  
 02:23:15 Elaine Taylor, MBA  
 02:23:52 Rep. Kipp III  
 02:26:05 Elijah Allen, MHC

**Closing by Sponsor:**

02:27:22 Rep. B. Smith

02:29:02 Recessed  
 02:36:57 Reconvened

**HEARING ON HB 620**

**Opening Statement by Sponsor:**

02:37:04 Rep. Kerry White (R), HD 64, opened the hearing on HB 620, Generally revise taxes and the distribution of revenue through sales tax.

**EXHIBIT**(tah60a07)

**Proponents:** None

**Opponents:**

03:06:11 Director Mike Kadas, Department of Revenue (DOR)

03:10:02 Bob Story, Montana Taxpayers Association (Montax)

03:13:24 Bridger Mahlum, Montana Chamber of Commerce (MCC)

**Informational Witnesses:** None

**Questions from Committee Members and Responses:**

03:15:43 Rep. Redfield

03:19:43 Rep. White

03:20:43 Rep. Welch

03:20:54 Rep. White

03:21:27 Rep. Fern

03:24:13 Rep. White

03:27:11 Rep. Hamilton

03:31:12 Rep. White

03:31:55 Rep. Beard

03:32:34 Rep. White

03:33:50 Rep. Fern

03:36:45 Rep. White

03:40:08 Chair Essmann

03:49:27 Rep. White

03:51:39 Rep. Flynn

**Closing by Sponsor:**

03:52:00 Rep. White

**ADJOURNMENT**

Adjournment: 04:02:25

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Margot Miltenberger, Secretary

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Additional Documents:

**EXHIBIT**([tah60aad.pdf](#))